



MoDOT's BOLDER Five-Year Direction

Monthly Update to the Missouri Highways and Transportation Commission

Oct. 5, 2011

We are forging ahead with the implementation of our Bolder Five-Year Direction approved June 8, 2011. The plan puts us on the path to become a smaller agency so more funding can be directed to needed road and bridge projects. Under the plan, we are reducing our staff size by 1,200, closing 131 facilities and selling more than 740 pieces of equipment.

By 2015, we will save \$512 million that will be used for vital road and bridge projects. After that, the plan will free up an average of \$117 million per year to focus on statewide transportation needs and provide us with greater flexibility in using our resources to deliver the best value for every dollar spent. In addition, the plan is allowing us to make staffing changes that are putting the right people in the right jobs.

The following pages will show the progress we've made in reducing staffing, equipment and facilities and realizing cost savings, as well as in maintaining a significant presence in every county of the state, but especially in the areas where we have closed district offices - Macon, Joplin and Willow Springs.

Table of Contents

<i>Staffing</i>	2
<i>Facilities</i>	6
<i>Equipment</i>	7
<i>Savings</i>	8
<i>Next Steps</i>	10



MoDOT's Bolder Five-Year Direction

monthly update

Staffing

As of Sept. 30, we had a salaried staffing level of 5,635 employees. That is a reduction of 667 since February 28, 2010. While we still need to reduce by 529 to reach the targeted level of 5,106, we are more than halfway to our goal in less than half of the anticipated time we allowed for the downsizing process. We have filled 465 positions in salary grades 17 to 21 positions. Of those, 240 were appointments and 225 were competitive selections.

More importantly, the Bolder Five-Year Direction has enabled us to put the right people in the right jobs. Our new management team is now in place and has hit the ground running. The new team also provides a better succession plan for when managers leave the organization.

The Next Steps

The next step with regard to staffing is under way and will address all remaining non-supervisory professional, technical and clerical positions in salary grades 1-16. Districts and divisions have created staffing plans that will enable us to tell many employees where they will land permanently.

Entry, intermediate and senior maintenance workers will not have to apply, interview or compete for their jobs and will not be subject to layoffs if they have successful performance. Remaining positions will be filled competitively and will progress in order of pay grade :

- Grades 11 to 16 (professionals): October 2011 – January 2012;
- Grades 6 to 10 (technicians and support): January – March 2012; and
- Grades 1 to 5 (support) April – May 2012

Non-supervisory, non-maintenance employees in these salary grades will be required to apply for their positions. Selections will be based on the need for the position, skills and abilities, adherence to MoDOT values and preferred employee qualities, location preferences, and performance and disciplinary history.

In March 2012, we will begin placing employees who have not landed permanent positions into maintenance jobs if they have a desire to go, are able to do the job safely and can meet the qualifications. Resources and training will be available to help them get ready. In June 2012, we will begin working to place employees who cannot work in maintenance into other permanent positions that may become available.

To meet our March 31, 2013 commitment for full implementation of the Bolder Five-Year Direction and to reach the right balance between operations, program delivery and administration positions with no reduction in “boots on the ground” maintenance workers, we’ll then begin the process of determining which employees who have not landed will be laid off. Based on attrition rates and where the work is, that step could start as early as fall of 2012. Anyone affected will receive a 60-day notice, and all notices will be issued no later than Jan. 30, 2013.



MoDOT's Bolder Five-Year Direction

monthly update

Staffing Stats

Total Salaried Headcount

The department's total salaried headcount as of September 30, 2011, was 5,635. Since February 28, 2010, there has been a total reduction of 667 salaried positions. Current and targeted staffing levels by function and location are as follows:

	Administration	Program Delivery	Operations (excluding maintenance workers)	Maintenance Workers	Total
September 30, 2011	878	1,435	1,135	2,187	5,635
March 31, 2013	709	1,161	824	2,412	5,106
Remaining Change Needed	-169	-274	-311	+225	-529

	Northwest	Northeast	Kansas City	Central	St. Louis	Southwest	Southeast	Central Office	Total
September 30, 2011	520	536	668	591	780	824	790	926	5,635
March 31, 2013	493	441	626	589	713	746	711	787	5,106
Remaining Change Needed	-27	-95	-42	-2	-67	-78	-79	-139	-529

As of September 30, 2011, there has been a reduction of 92 supervisory positions. The goal is to reduce by 444 supervisory positions, leaving 352 remaining supervisory position reductions still needed by March 31, 2013.

Administration Headcount

Current and targeted Administration staffing levels by location are as follows:

	Northwest	Northeast	Kansas City	Central	St. Louis	Southwest	Southeast	Central Office	Total
September 30, 2011	32	62	65	38	58	64	60	499	878
March 31, 2013	34	31	49	33	47	43	32	440	709
Remaining Change Needed	+2	-31	-16	-5	-11	-21	-28	-59	-169

Program Delivery Headcount

Current and targeted Program Delivery staffing levels by location are as follows:

	Northwest	Northeast	Kansas City	Central	St. Louis	Southwest	Southeast	Central Office	Total
September 30, 2011	71	114	197	114	257	175	150	357	1,435
March 31, 2013	66	66	162	106	208	141	106	306	1,161
Remaining Change Needed	-5	-48	-35	-8	-49	-34	-44	-51	-274



Operations Headcount (excluding maintenance workers)

Current and targeted Operations staffing levels by location are as follows:

	Northwest	Northeast	Kansas City	Central	St. Louis	Southwest	Southeast	Central Office	Total
September 30, 2011	120	106	163	122	205	194	155	70	1,135
March 31, 2013	73	69	131	97	181	118	114	41	824
Remaining Change Needed	-47	-37	-32	-25	-24	-76	-41	-29	-311

The Operations total includes maintenance management positions which account for a significant portion (-239) of the noted remaining reductions needed to reach targeted future levels.

Maintenance Worker Headcount

As part of the Bolder Five-Year Direction no reductions will be made to the maintenance worker headcount within Operations (i.e., “boots on the ground”), which includes maintenance worker series positions and maintenance crew leaders, as well as employees in the regional bridge maintenance worker series and regional bridge maintenance crew leader positions. These numbers do not include maintenance management positions which are included in the Operations totals above. Current and targeted district maintenance worker staffing levels are as follows:

	Northwest	Northeast	Kansas City	Central	St. Louis	Southwest	Southeast	Total
September 30, 2011	297	254	243	317	260	391	425	2,187
March 31, 2013	320	275	284	353	277	444	459	2,412
Remaining Change Needed	+23	+21	+41	+36	+17	+53	+34	+225

Overall Separations

In September 2011, there were 73 employee separations. Separations since February 28, 2010, are included and identified as “Cumulative” below. The separations occurred in the following categories:

	Resigned	Released	Retired	Deceased	Other*	Total
September 2011	42	3	26	2	0	73
Cumulative	324	114	334	18	20	810**

Of the 73 total separations, 10 were minority employees (13.7 percent of total separations) and 15 were females (20.5 percent of total separations).

*Other includes end of appointment separations of credit union employees and coop students who did not separate under one of the other four separation categories.

**The total reduction of 667 salaried positions noted in the beginning of this document is a result of the 810 separations, minus the 143 new hires that have occurred since February 28, 2010.



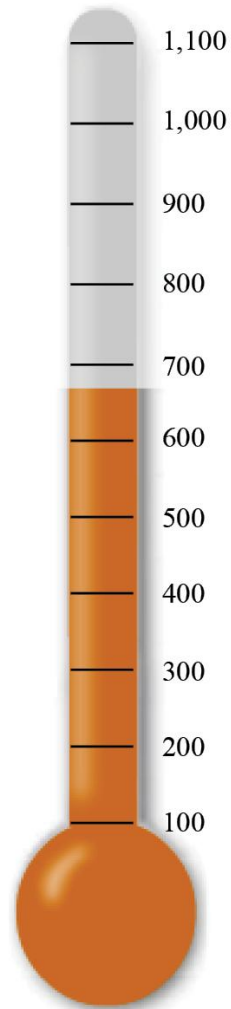
MoDOT's Bolder Five-Year Direction

monthly update

Salaried Employment Levels

Targeted Reduction - 1,196 by March 2013

Current Reduction: 667 as of September 30, 2011





MoDOT's Bolder Five-Year Direction

monthly update

Facilities

We are moving quickly to reduce our number of facilities. Under the plan, 131 facilities will be closed statewide. The remaining facilities will be strategically located to fully realize the efficiencies of combining crews, resource sharing and our Practical Operations initiative and philosophy. When conveying and marketing property, we are considering the location of the property, the demand for such a property on the open market, the manner in which title is held to the property by the commission, deed restrictions, etc.

The methods used to dispose of the properties will vary. Some of the properties may provide substantial benefits to a local public agency or another state agency. In these situations, we may elect to negotiate directly with the agency to convey the property. In other situations, the properties will be marketed to the general public and sold through an auction or sealed bid process or will be marketed by local realtors.

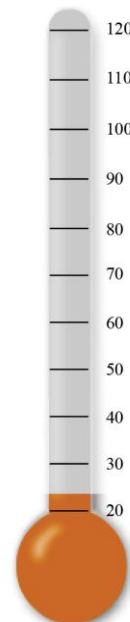
Facility Stats

- As of Feb. 28, 2010 we had 341 facilities. Our goal is to eliminate 131, leaving us with 210 active facilities. As of Sept. 30, we have vacated 23 of the 131 facilities, including the Joplin District Office, which is being used by the Joplin Public Schools. Employees were completely out of the building by the end of July. Employees previously working out of the Joplin District Office have been relocated to the General Services building, Neosho and Carthage project offices and the Joplin maintenance complex. The ultimate disposition of the district office building has not been determined.
- We are working with community officials in Macon and Willow Springs to determine the best use for those district offices.
- A Facilities Reduction Team was formed in July to provide guidance on closing facilities, from moving employees to consolidating consumable inventory and supplies to vacating buildings. The team has prepared guidelines to make the process consistent.

Number of Facilities Vacated

Planned Reductions - 131

Reductions to Date - 23





MoDOT's Bolder Five-Year Direction

monthly update

Equipment

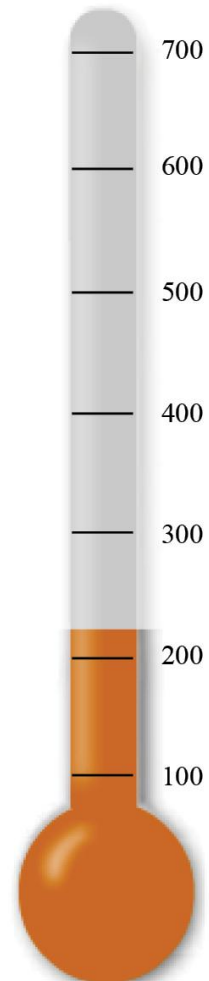
Fewer employees and facilities mean a reduced need for equipment. Under the Bolder Five Year Direction, we are disposing of more than 740 pieces of equipment, including dump trucks, tractors, stripers, loaders, pickups and other fleet vehicles.

Surplus fleet will be reviewed and compared to the statewide inventory to ensure that the oldest equipment or equipment in the worst condition is sold first. We currently have 12 vendors on contract that can dispose of excess equipment. All vendors sell both vehicles and off road equipment and most have a world-wide customer base. This should ensure that the available quantities of equipment for sale will not flood a particular market and subsequently reduce the sale price.

In addition, a variety of disposal venues is available, such as live and online auctions and sealed bidding. We are working with the manufacturers to obtain the estimated values and to identify potential bidders who are interested in used equipment so they can be notified when the units are offered for sale.

Equipment Stats

- As of Sept. 30, we have reduced fleet and equipment by 245 pieces.





Savings

Our Bolder Five-Year Direction strategies are projected to provide \$512 million of savings from March 1, 2010 through February 28, 2015 from the following areas:

- \$212 million from staffing reductions
- \$41 million from facility reductions
- \$44 million from equipment reductions
- \$31 million from redirected services
- \$184 million from redirected budgets

The savings are redirected to critical roadway improvements while maximizing our ability to provide state match for available federal funds.

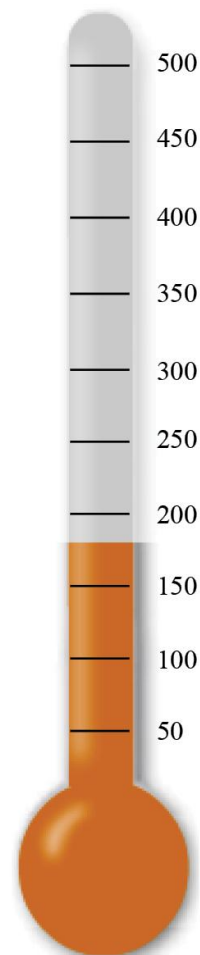
Savings Stats

As of Sept. 30, we have realized \$177 million in savings – more than \$64 million has been invested in minor road improvements and the remaining funds have been allocated to the Statewide Transportation Improvement Program. Each district gets a share based on the commission-approved funding formula.

Cumulative Dollars Saved for Bolder Five-Year Direction Priorities

Savings Goal by 2/28/15 - \$512 million

Savings to Date - \$177 million

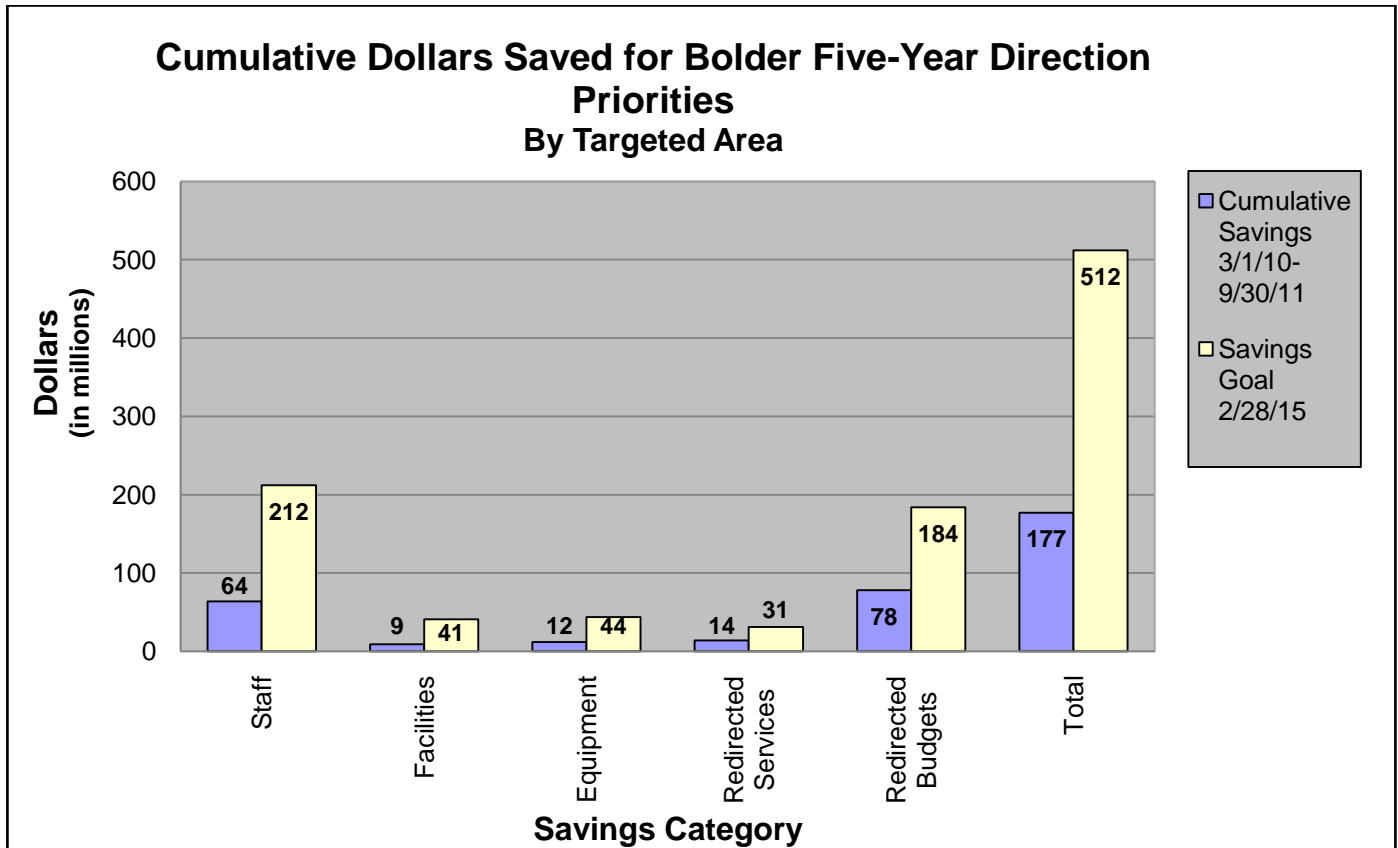




MoDOT's Bolder Five-Year Direction

monthly update

The following chart tracks the department's progress in saving \$512 million compared to the savings goal for the five targeted areas: staff, facilities, equipment, redirected services and redirected budgets.





MoDOT's Bolder Five-Year Direction

monthly update

Next Steps

Significant Presence Update

One of the key strategies to our Bolder Five-Year Direction is going from 10 districts to seven. But it is not just about facilities or buildings. Our biggest cost savings come from reducing the size of our workforce. By closing the three district offices in Joplin, Macon and Willow Springs, we eliminate 214 leadership, managerial, supervisory, technical and support positions, which will save \$44 million over the course of the five-year direction and \$12 million a year thereafter.

While we will not have a district office in three communities where they have existed for many years, the department will continue to have a significant presence and visibility in these areas. Additionally, there will be an area office assigned to these communities, so the customer service they have grown accustomed to will remain. Statewide, the area engineer will be a direct and local contact for the citizens, business leaders and community leaders.

Joplin

Currently, there are 126 employees located in the Joplin area. Under the plan, about 80 employees are proposed to be assigned to the Joplin regional office. The 80 employees include leadership and management, engineering, maintenance and administrative support staff. The primary focus has been on naming the Southwest District management team. The following positions have been appointed and are working from the Joplin regional office: the Transportation Project Manager and the Assistant District Engineer. The Maintenance Superintendent and the Equipment Technician Supervisor for the Joplin region have been selected. The Assistant Maintenance Supervisor position for the Joplin Maintenance Facility is currently in the interview process. The remaining employees in the former district office and the Joplin garage are still working as directed by the district department heads.

Macon

Currently, there are 142 employees located in the Macon area. Under the plan, about 80 employees are proposed to be assigned to the Macon area. The 80 employees include leadership and management, engineering, maintenance and administrative support staff. The primary focus has been on naming the Northeast District management team. The district advertised positions with the option of working from either Hannibal or Macon. The following positions have been working from the Macon regional office: Area Engineer, District Bridge Engineer, Transportation Project Manager, Resident Engineer, Transportation Project Designer, General Services Manager, Human Resources Manager, District Health and Safety Manager and Financial Services Manager. Additionally, a Construction Liaison and District Geologist will work from Macon while serving the department locally and in other parts of the state.

The Maintenance Superintendent for the Macon region has been selected. The Maintenance Supervisor and Assistant Maintenance Supervisor for the Macon Maintenance Facility are currently advertised. An Equipment Technician Supervisor to work in the Macon Maintenance Complex is also advertised. The remaining employees in the former district office and the Macon garage are still working as directed by the district department heads.



MoDOT's Bolder Five-Year Direction

monthly update

Willow Springs

Currently, there are 127 employees located in the Willow Springs area. Under the plan, about 80 employees are proposed to be assigned to the Willow Springs regional office. The 80 employees include leadership and management, engineering, maintenance and administrative support staff. The primary focus has been on naming the Southeast District management team. The district advertised positions with the option of working from either Sikeston or Willow Springs. The following positions have been working from the Willow Springs regional office: the District Maintenance Engineer, District Support Services Manager, Transportation Project Manager, Resident Engineer, Assistant District Maintenance Engineer – Bridge, and Transportation Project Designer (LPA).

The Maintenance Superintendent for the Willow Springs region has been selected. The Maintenance Supervisor and Assistant Maintenance Supervisor for the Willow Springs Maintenance Facility, as well as the Regional Bridge Supervisor for Willow Springs are currently advertised. An Equipment Technician Supervisor to work in the Willow Springs Maintenance Complex is also advertised. The remaining employees in the former district office and the Willow Springs garage are still working as directed by the district department heads.

Area Engineers

In each of the three communities where district offices are closing and in all major communities across the state, we now have an area office staffed with an area engineer to provide a one-stop contact for all community needs related to MoDOT. All of the area engineers have been named. They are:

Northwest District

Tonya Lohman	Chillicothe
Mike Rinehart	Maryville

Northeast District

Kevin James	Kirkville
Brian Haeffner	Macon
Erik Maninga	Troy

Kansas City District

Mike McGrath	East
Matthew Killion	South
Shelie Daniel	North

Central District

Preston Kramer	Rolla
Mike Schupp	Columbia
Bob Lynch	Lake Ozark

St. Louis District

Dee Venker	St. Louis City
Kristy Yates	Southwest St. Louis County
Larry Welty	North St. Louis County
Tom Evers	St. Charles County
Judy Wagner	Franklin and Jefferson

Southwest District

Beth Schaller	Branson
Darin Hamelink	Nevada

Southeast District

Dale Kinneman	Park Hills
David Wyman	Poplar Bluff

Training for the Area Engineers will be held Oct. 24. Topics to be covered range from customer, media and governmental relations to conflict resolution and informed consent.



MoDOT's Bolder Five-Year Direction

monthly update

Here is a map showing the area engineers and their locations.

MoDOT Area Engineers

